



MARYLAND STATE & D.C. AFL-CIO

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HB 114 - Arbitration Reform for State Employees Act of 2024
House Appropriations Committee
January 25, 2024

SUPPORT

Donna S. Edwards

President

Maryland State and DC AFL-CIO

Chairman and members of the Committee, thank you for the opportunity to provide testimony in support of HB 114 - Arbitration Reform for State Employees Act of 2024. My name is Donna S. Edwards, and I am the President of the Maryland State and DC AFL-CIO. On behalf of the 300,000 union members in the state of Maryland, I offer the following comments.

Under current law, when a Governor and state workers reach an impasse in bargaining, a Governor can simply choose to ignore the process and appropriate funds for workers based on their previous contract. In theory, any Governor could completely bypass the negotiations process and leave workers in the lurch for the entirety of his/her term in office. It creates a perverse incentive for a Governor to do nothing, stalling negotiations indefinitely while workers' wages and benefits remain stagnant for years.

HB 114 fixes these issues by amending the Maryland Constitution to include binding arbitration for state worker collective bargaining. Binding arbitration is a common dispute resolution process in both private and public sector labor relations. It recognizes that both parties do not always agree and that negotiations can reach an impasse. When this happens, a neutral arbitrator is tasked with drafting a written award that lays out the terms of a settlement that both parties must respect and adhere to.

Public sector workers in the following states have some form of binding interest arbitration for their collective bargaining processes: Alaska, California, Connecticut, District of Columbia, Hawaii, Illinois, Iowa, Main, Massachusetts, Michigan, Minnesota, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Texas, Vermont, Washington, Wisconsin, Wyoming. Even in Maryland, our county workers in Allegany, Anne Arundel, Baltimore City, Baltimore County, Frederick County, Prince George's, Wicomico have binding interest arbitration for some or all of their units. During the Senate Finance Committee's briefing on collective bargaining during the interim, the invited witness Zackary Barnes of the National Conference of State Legislatures confirmed that Maryland is in the minority of states with public sector collective bargaining that do not also have binding interest arbitration.

HB 114 will provide balance in the negotiations process, giving both parties every motivation to work toward a timely agreement. Management will no longer have the incentive to wait out negotiations in the hopes that they can save money and unilaterally implement and fund their own proposals. The

process listed in the bill for the selection of neutral arbitrators is shared by many unions and employers across the country. Workers deserve balance and timely decisions. By putting the conditions of the memorandum of understanding directly into the budget, we ensure that what has been negotiated and agreed upon, is honored. This bill is a fair and balanced approach to providing effective and efficient negotiations for our state employees. We urge a favorable report on HB 114.